HLS 17RS-803 ENGROSSED

2017 Regular Session

HOUSE BILL NO. 503

1

BY REPRESENTATIVE THIBAUT

INSURERS/AGENTS: Provides relative to the licensing of insurance producers

AN ACT

2 To amend and reenact R.S. 22:821(B)(3) and 1546(B)(1)(a), relative to licensing of 3 insurance producers; to provide for licensing fees paid by insurance producers; to 4 provide for licensing of business entities as insurance producers; to provide for 5 disclosure of persons with ten percent or more controlling interest in a resident 6 business entity; to provide for disclosure upon request of persons with ten percent 7 or more controlling interest in a non-resident business entity; and to provide for 8 related matters. 9 Be it enacted by the Legislature of Louisiana: 10 Section 1. R.S. 22:821(B)(3) and 1546(B)(1)(a) are hereby amended and reenacted 11 to read as follows: 12 §821. Fees 13 14 B. 15 16 For producers' licenses: (3) 17 Life, health, and accident producer; variable annuity producer 18 **Surplus Lines:** 19 20 Additional or renewal company appointment <del>(yearly)</del>.....\$20.00 21

Page 1 of 4

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1 Producer renewal Renewal fee 2 3 (b) Property and casualty producer All other lines: 4 5 6 Additional Initial or renewal company appointment 7 (yearly).....\$20.00 8 Producer renewal fee (every two years)........... \$50.00 9 10 11 Limited lines producer (c) 12 13 14 Additional or renewal company appointment 15 <del>(yearly)</del>......\$20.00 16 Renewal fee (every two years)..... \$50.00 17 (d) Limited lines credit insurance producer 18 19 Additional or renewal company appointment 20 (yearly).....\$20.00 21 Renewal fee (every two years)..... \$50.00 22 (e) Surplus lines broker 23 24 Renewal fee (every two years)..... \$350.00 25 Fee for failure to file producer license renewal timely <del>(f)</del> 26 27 Fee for duplicate producer license..... \$15.00 28

Page 2 of 4

§1546. Application for license

29

1 2 B.(1)(a) A business entity acting as an insurance producer is required to shall 3 obtain an insurance producer license. 4 (i) Every member, partner, officer, director, and person who controls directly or indirectly ten percent or more of the applicant a resident business entity shall be 5 6 registered with the Department of Insurance under such business entity's license. 7 (ii) A non-resident business entity shall provide to the commissioner upon 8 request the name of every member, partner, officer, director, and person who 9 controls directly or indirectly ten percent or more of the non-resident business entity. 10 (iii) For purposes of this Section, "control" has the same meaning as 11 provided in R.S. 22:691.2. 12 13 Section 2. This Act shall become effective on July 1, 2018.

## **DIGEST**

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 503 Engrossed

2017 Regular Session

Thibaut

**Abstract:** Provides for license fees for insurance producers and disclosure by non-resident business entities with a producer's license of those controlling ten percent or more of the non-resident business entity.

<u>Present law</u> provides the following fees for insurance producer licenses:

Life, health, and accident producer; variable annuity producer	
First time applicant	\$75.00
Additional or renewal company appointment (yearly) \$	\$20.00
Producer renewal fee (every two years) \$	\$50.00
Property and casualty producer	
First time applicant	\$75.00
Additional or renewal company appointment (yearly) \$	\$20.00
Producer renewal fee (every two years) \$	\$50.00
Limited lines producer	
First time applicant	\$75.00
Each additional line of authority	\$35.00
Additional or renewal company appointment (yearly) \$	\$20.00
Renewal fee (every two years) \$	\$50.00
Limited lines credit insurance producer	
First time applicant	\$75.00
Additional or renewal company appointment (yearly) \$	\$20.00
Renewal fee (every two years) \$	\$50.00

Page 3 of 4

CODING: Words in struck through type are deletions from existing law; words underscored are additions.

Surplus lines broker	
First time applicant	\$250.00
Renewal fee (every two years)\$	350.00
Fee for failure to file producer license renewal timely (per license)	\$50.00
Fee for duplicate producer license	\$15.00

<u>Proposed law</u> retains the current fees for surplus lines producers and the fee for failure to timely file a producer license renewal.

<u>Proposed law</u> creates an "all other lines" category of insurance producers for the purpose of unifying the fee structure and renewal periods for the following insurance producer licenses: life, health, and annuities; property and casualty; limited lines; and limited lines credit insurance. <u>Proposed law</u> otherwise retains <u>present law</u> regarding the fee structure for producers in these categories.

<u>Proposed law</u> creates the following fee structure for all other lines of producer licenses:

First time applicant	\$75.00
Application to add lines	\$50.00
Initial or renewal company appointment (yearly)	\$20.00
Producer renewal fee (every two years):	
One line	\$50.00
Two or more lines	\$55.00

<u>Present law</u> provides that a business entity acting as an insurance producer is required to obtain an insurance producer license and that any person who directly or indirectly controls 10% or more of such entity shall be registered with the Department of Insurance under such business entity's license.

<u>Proposed law</u> changes <u>present law</u> by limiting the requirement to register controlling persons to resident business entities. <u>Proposed law</u> adds a requirement for non-resident business entities to provide that information to the commissioner of insurance upon request.

Effective January 1, 2018.

(Amends R.S. 22:821(B)(3) and 1546(B)(1)(a))

## Summary of Amendments Adopted by House

The Committee Amendments Proposed by <u>House Committee on Insurance</u> to the original bill:

1. Provides that the producer renewal fee for all other lines of insurance is \$55.00 for two or more lines.